

THE NATIVE ASPHALT COMPANY

136 East South Temple
University Club Building, Suite 1750
Salt Lake City, Utah 84111
(801) 532-7510

April 5, 1993

5/047/055

Mr. Anthony A. Gallegos
Division of Oil Gas and Mining
355 West North Temple
3 Triad Center, suite 350
Salt Lake City, UT 84108

Dear Mr. ^{Tony} Gallegos:

I am writing in response to your letter to Mr. Kimball Young, Rock Asphalt, dated March 30, 1993.

Tonka Excavating filed the original mine plan but was unable to post a bond for operating the lease. Therefore, we never designated Tonka Excavating as the operator of record.

Rock Asphalt agreed to assume Tonka's position and posted the bond, we then designated them as the operator of the lease. Enclosed is copy of a letter to John Blake, State Lands and Forestry regarding the designation of operator and a copy of Rock Asphalt's bond.

I'm hopeful this letter verifies the sequence of events that established Rock Asphalt as the operator.

Kind regards,


Mark F. Lindsey
Secretary

RECEIVED

APR 12 1993

DIVISION OF
OIL GAS & MINING

THE NATIVE ASPHALT COMPANY

136 East South Temple
University Club Building, Suite 1750
Salt Lake City, Utah 84111
(801) 532-7510

October 5, 1992

John T. Blake
Division of State Land and Forestry
355 West North Temple
3 Triad Center, Suite 400
Salt Lake City, Utah 84108-1204

RE: Designated Operator for ML7920

Dear ^{John}~~Mr. Blake~~:

This letter is to advise you that we have entered into an agreement with Rock Asphalt (formerly Tonka Excavating) to open the site according to the plans submitted to you 8-15-92 and requirements listed in your letter of 8-28-92. They will be the operator of record on this lease and have certian acts to perform before they are able to exercise an option for the lease. I hope this letter satisfies your requirements.

Should you have any questions phone me at the above number.

Most sincerely,



Mark F. Lindsey

CC: John Robinson, Rock Asphalt

*Faxed to Blake
Oct 13, 92*



505 East 200 South
P.O. Box 11868
Salt Lake City, Utah 84147
(801) 531-7800

INVESTMENT CERTIFICATE

1. ACCOUNT SUMMARY SECTION

UTAH DIVISION OF STATE LAND

Accountholder C/O: KIMBALL L YOUNG

ACCOUNT NO _____
DATE OF ISSUANCE 10/02/92

OPENING BALANCE	MINIMUM BALANCE REQUIREMENT	RATE OF EARN- INGS PER ANNUM	TERM	INITIAL MATURITY DATE	RENEWAL TERM	FREQUENCY OF COMPOUNDING
5,000.00	1,000.00	4.000	12M	10/02/93	See Sec. 4	QTRLY

No Additions Permitted.

12/28/92

AND QUARTERLY

EARNINGS DISTRIBUTION DATES BEGINNING
THEREAFTER, WITH THE LAST DISTRIBUTION ON THE FINAL MATURITY DATE.

2. GENERAL SECTION

This certifies that the Accountholder holds a savings account with the Opening Balance and for the initial term expiring on the Initial Maturity Date shown hereon in First Federal Savings Bank. If this account is issued to and held by a natural person, it is not transferrable except on the books of the Bank.

3. EARNINGS SECTION

This account shall initially receive earnings at the Rate of Earnings and with the Frequency of Compounding as above set forth. Such earnings shall be payable on the Earnings Distribution Date above set forth, provided the balance in the account is not reduced below the Minimum Balance Requirement. If the account balance is reduced below the Minimum Balance Requirement, the rate of earnings on the remaining balance shall thereafter be reduced to the rate then paid on regular savings accounts (see also Section 5).

4. RENEWAL SECTION

This account shall be automatically renewed at the close of business on the Initial Maturity Date or on the maturity date of any Renewal Term unless (1) withdrawn within the 7-day period referred to in Section 5 hereof or (2) at least 15 days prior to a renewal date, the Bank gives written notice to the Accountholder that this account will not be renewed. In such latter event, upon maturity the account will be converted to a regular savings account and receive earnings at the rate then paid on regular savings accounts.

The rate of earnings for any Renewal Term shall be at the rate the Bank is offering at that time on new accounts of this class.

5. PENALTY CLAUSE SECTION

Except as otherwise provided herein, in the event of any withdrawal of principal from this account prior to the maturity date, the Accountholder shall forfeit an amount equal to six months of interest whether earned or not, on the amount withdrawn at the nominal (simple interest) rate being paid on the account, regardless of the length of time the funds withdrawn have remained in the account.

The penalty prescribed herein will not be imposed for a withdrawal of principal following the death or adjudication of incompetence of any Accountholder.

Any withdrawal which reduces the account balance below the Minimum Balance Requirement shall be considered as a withdrawal of the entire account balance and shall be subject to the penalty prescribed herein.

If the account or any portion hereof is withdrawn not more than 7 days after a maturity date, earnings shall be paid thereon at the Rate of Earnings for the Renewal Term to the date of withdrawal without penalty. Earnings credited to this account may be withdrawn at any time during the term in which they were earned without penalty.

To the extent necessary to comply with these requirements, deductions shall be made from the amount withdrawn or the remaining account balance.